

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

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May 20, 2003

FROM: RUDY LOPEZ, Director
Department of Behavioral Health (DBH)

SUBJECT: AMENDMENT TO CONTRACT 01-404 WITH STATE DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS FOR SUBSTANCE ABUSE PREVENTION AND TREATMENT SERVICES

RECOMMENDATION: Approve Amendment No. 3 to County contract No. 01-404 (State Contract No. COUNTY36) with the State Department of Alcohol and Drug Programs (ADP) which increases the contract amount by \$1,007,570 from \$48,117,491 to \$49,125,061 for substance abuse prevention and treatment services from July 1, 2001 to June 30, 2005.

BACKGROUND INFORMATION: This item allows the State ADP to increase its contract amount with San Bernardino County Department of Behavioral Health for substance abuse prevention and treatment services. The purpose of this amendment is to bring the funding level into agreement with the Fiscal Year 2002-03 State Budget Act.

The State Department of Alcohol and Drug Programs administers substance abuse prevention and treatment services throughout California. The State ADP allocates funds to the counties based on factors such as population, number of AIDS cases, number of Medi-Cal consumers, and applications for funding of special projects such as drug courts. Beginning in Fiscal Year 1994-95, State ADP began using a multi-year contracting process to fund substance abuse prevention and treatment services.

The current contract between the State and County, which was approved by the Board of Supervisors on June 5, 2001 and amended May 14, 2002 and August 27, 2002, includes funding for the three-year period of July 1, 2001 through June 30, 2004 with an authorized expenditure period through June 30, 2005. The current contract amendment was received from the State ADP on April 21, 2003. It must be fully executed by State and County prior to June 30, 2003 to avoid the loss of funds.

At the beginning of this multi-year contract, State ADP set preliminary funding levels for each fiscal year. After the State budget is enacted each year, State ADP amends the contract to include any increases or decreases. Applying the allocation formula described above, this amendment decreases the State general fund by \$211,021, increases the federal Medi-Cal by \$142,005, and increases the federal block grant funding by \$1,076,586. The net result is an increase of \$1,007,570 for Fiscal Year 2002-03.

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The increase to the contract will not affect the Department of Behavioral Health's current budget. The Department of Behavioral Health prepares its annual budget using preliminary allocations issued by State ADP in February of each year and estimated revenue from CalWorks and Proposition 36. Therefore, adequate appropriations and revenues have already been included in the Department's Fiscal Year 2002-03 budget.

REVIEW BY OTHERS: The contract has been reviewed and approved as to form by Deputy County Counsel, Charles J. Larkin on May 1, 2003, and the item has been reviewed by Beatriz Valdez, Administrative Analyst, County Administrative Office on May 8, 2003.

FINANCIAL IMPACT: Approval of this item will not result in any local cost to the County. The amendment amount of \$1,007,570 reflects an increase in federal funding. The total contract amount of \$49,125,061 consists of federal and state funds. Adequate appropriations and revenues have been included in the Department's approved FY 2002-03 budget and will be included in the proposed budget for FY 2003-04.

COST REDUCTION REVIEW: The County Administrative Office has reviewed this agenda item and recommends approval as it will impose no additional cost to the County.

SUPERVISORIAL DISTRICT(S): All

PRESENTER: Rudy Lopez, Director
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